
MISCELLANEOUS REPORTING INFORMATION

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This Division of Retirement Employer Handbook is intended for the employers of members of the FRS Pension Plan or the FRS Investment Plan. However, references to an FRS member in this Handbook will refer to a member of the FRS Pension Plan, unless stated otherwise. The division is responsible for processing contributions and maintaining service credit records for Investment Plan members, and for administering Investment Plan participants' disability benefits and Health Insurance Subsidy benefits. Procedures in this handbook should be well marked to indicate the difference in actions required of the employer with respect to Pension Plan vs. Investment Plan members.

I. TYPES OF ACCOUNT ERRORS

An automated account error is created when:

- Information submitted on your payroll report is in an incorrect format or is incomplete;
- Salary is 250 percent or more of the previous month's salary;
- Retirement contributions are incorrect for the salary reported; or
- Member is reported under an incorrect retirement plan.

Reporting Errors that Require Correction by the Employer

We are unable to update the member's account until the employer furnishes the required information. For errors that involve the name, work period, date of birth, gender, or any of the address fields, corrections should be made on your next retirement report. Do not correct any other type of errors on your retirement report. We will correct the entries and bill or refund accordingly. For details, see the chart below:

Name:	Members are enrolled through the payroll. The name submitted on your payroll is the name that will post to the member's account. The division no longer edits name mismatches. The correct format should be: Last Name Suffix, First Name MI. The most common errors occur when the comma is omitted, or the number "0" is used instead of the letter "O".
Date of Birth:	Date of birth should be reported on all new hires. This is required information since employees are enrolled through the payroll. If you have entered a date of birth, verify the correct year of birth on your payroll.
Gender:	Gender should be reported on all new hires. This is required information since employees are enrolled through the payroll.
Address:	Employee addresses should be reported on all new hires or whenever an employee has a change of address. This is required information since employees are enrolled through the payroll. If you have entered an employee address, verify that all fields are correct and comply with the format of the United States Postal Service (see: usps.com).
Date of Hire:	The date of hire should be reported on all new employees hired into a regularly established position. This is required information with the implementation of the FRS Investment Plan.
Work Period:	Annual leave payments (work period 21) require entry of the number of hours that the payment represents.

Salary: Salary that is 250 period greater than the previous month will generate an automatic account error. If the member's salary is in error status because a longevity or bonus payment has been included, a copy of the formal written policy authorizing the payment must be submitted to the division. If the member was on Workers' Compensation (WC) in the previous month(s), the Workers' Compensation must be reported. (Please refer to Chapter 2, Part I, section C.)

Social Security Number: Members are enrolled through the payroll report. Social Security Numbers (SSN) are no longer verified against the division's database. If a wrong SSN has been reported, please contact the Division of Retirement. You may call the division toll-free at 877-377-1266 or 850-907-6540, or email contributions@dms.fl.gov.

Unenrolled Contributor: New members reported without a date of birth, gender, address, or date of hire will remain in error until the reporting unit provides the required information. As long as any of these entries remains in error, the information your employee needs to make a choice between the FRS Pension plan and the FRS Investment Plan within the timeframe allowed by statute will be delayed.

II. CONTRIBUTION ERRORS

Verification of Reported Contributions

An automated error detection process within the division's software checks individual member records on the retirement report and verifies that the retirement contributions submitted for each member are correct by multiplying the member's reported salary by the applicable contribution rates established by the Florida Legislature, in compliance with the requirements of Article X, section 14, of the Florida Constitution. If the contributions submitted do not equal the total amount required, an error is created.

To reconcile the error, the division will contact the reporting unit to verify the reported data and explain the reporting error. At the same time, the correct information will be updated to each member's record (see note below). At a later date, an invoice (or credit memo) along with the supporting detail listing will be forwarded to the reporting unit.

Each agency is responsible for making refunds to individual members or collecting amounts due from employees based from the reporting errors discussed above.

The reporting unit should review the supporting documentation to determine if the billing invoice (or credit memo) is correct. If you do not agree with the determination, please contact the Division of Retirement. You may call the division toll-free at 877-377-1266 or 850-907-6540, or email contributions@dms.fl.gov.

NOTE: Because the division has already corrected the error in our records, reporting units should not make adjustments on the retirement report for errors that are identified through the automated error detection process. Instead, the unit should correct its internal payroll records to reflect the correction and make any other financial adjustments needed between the member and the unit.

Liability for Market Losses and Associated Costs Due to Delinquency

In addition to assessments that may be owed as described in Chapter 2, Part III, section D, and Chapter 6, Part III, if contributions or accompanying payroll data for FRS Investment Plan participants are not received within the calendar month due (including contribution adjustments owed due to employer error or correction), the employer may be liable for resulting market losses, as described in Chapter 9, Part XV.

STATUTORY REFERENCE:

Section 121.078, Florida Statutes

III. ACCOUNTS RECEIVABLE

Invoice/Credit Memos

The division creates invoice/credit memos when retirement contributions are not paid at the correct rate. These invoice/credit memos include employee and employer contributions and are generated as a result of:

- Adjustments to the Contributions Summary;
- The error process;
- Delinquent payrolls; or
- Through an audit of an individual's account.

Delinquent Assessments - Collection Process

Once an invoice has been created, the agency must pay required contributions within 30 days of the division's invoice date or a delinquent assessment of 1 percent per month will be assessed. If the agency does not make payment within 120 days of the invoice, collection proceedings will begin. In accordance with rule 60S-3.011(5)(a) and (b), Florida Administrative Code, the division may request the Department of Banking and Finance or the Department of Revenue to withhold the amount owed the FRS from any State funds allocated to the county, city, or special district. If the existing funds do not equal the amount owed, the division will certify to the tax collector the amount owed. The tax collector will deduct the amount certified from any taxes collected for the employer and pay the amount to the FRS. For state agencies, the division will notify the Secretary of the Department of Management Services and the Governor and certify the amounts owed to the Director of Planning and Budget, Office of the Governor.

If arrangements cannot be made to pay the amount due, the amount shall be appropriated from the General Revenue Fund of the State.

Again, the employer is responsible for making refunds to employees or collecting amounts owed from employees as a result of a reporting error.

Payments can be made or credits can be taken on your monthly payroll report or by using the Pay Invoice module on the MyFRS.com website. (Refer to Chapter 2, Parts IV and V, for further information on the electronic payment and reporting processes.)

The division mails Statements of Accounts Receivable/Credits on a monthly basis. If you have any questions concerning an invoice or credit memo, call the Accounting Section at 850-488-3053 or email ret.revenuesection@dms.fl.gov.

STATUTORY REFERENCE:

Sections 121.061 and 121.071, Florida Statutes, and Part III of Chapter 121, Florida Statutes

FRS RULE REFERENCE:

Section 60S-3.011, Florida Administrative Code

IV. EMPLOYER COMPLIANCE AUDITS

The Audit Section conducts employer compliance audits of participating local agencies' payroll and personnel records. These audits are conducted to determine the agency's compliance with Florida Statutes and associated rules pertaining to retirement participation and payroll reporting. The audits are designed to assist agencies with FRS reporting requirements and are scheduled on a regular basis.

Information and Documents You May Be Asked to Provide

When an audit of an agency is scheduled, the following information and documents may be requested:

- Payroll Records
- Budget and Chart of Accounts
- IRS Form W-2 – Wage and Tax Statements
- IRS Form 1099 – MISC Statements and Supporting Data
- Personnel Records
- Personnel Policies and Procedures
- Individual Employees' Earnings Records
- Workers' Compensation Records
- List of Employees and Earnings Not Reported for FRS coverage

Audit Process

During the audit, FRS reporting requirements will be reviewed and a questionnaire will be completed. Preliminary findings will be discussed with agency personnel at the end of the audit. An audit summary letter with findings and required action will be sent to the agency head. If the required action cannot be completed within the time specified in the letter, an extension should be requested through the division's Bureau of Enrollment and Contributions.

STATUTORY REFERENCE:

Chapter 121, Florida Statutes

FRS RULE REFERENCE:

Section 60S-5.007, Florida Administrative Code